

spouse by the full amount of your pension for months before December 1984 and by two-thirds the amount of your monthly pension for months after November 1984. If the reduction is not a multiple of 10 cents, we will round it to the next higher multiple of 10 cents.

(3) Your benefit as a spouse will be reduced, if necessary, for age and for simultaneous entitlement to other Social Security benefits before it is reduced because you are receiving a Government pension. In addition, this reduction follows the order of priority as stated in § 404.402(b).

(4) If the monthly benefit payable to you after the required reduction(s) is not a multiple of \$1.00, we will reduce it to the next lower multiple of \$1.00 as required by § 404.304(f).

(e) *When effective.* This reduction was put into the Social Security Act by the Social Security Amendments of 1977. It only applies to applications for benefits filed in or after December 1977 and only to benefits for December 1977 and later.

[49 FR 41245, Oct. 22, 1984; 50 FR 20902, May 21, 1985, as amended at 51 FR 23052, June 25, 1986; 60 FR 56513, Nov. 9, 1995]

§ 404.408b Reduction of retroactive monthly social security benefits where supplemental security income (SSI) payments were received for the same period.

(a) *When reduction is required.* We will reduce your retroactive social security benefits if—

(1) You are entitled to monthly social security benefits for a month or months before the first month in which those benefits are paid; and

(2) SSI payments (including federally administered State supplementary payments) which were made to you for the same month or months would have been reduced or not made if your social security benefits had been paid when regularly due instead of retroactively.

(b) *Amount of reduction.* Your retroactive monthly social security benefits will be reduced by the amount of the SSI payments (including federally administered State supplementary payments) that would not have been paid to you, if you had received your monthly social security benefits when

they were regularly due instead of retroactively.

(c) *Benefits subject to reduction.* The reduction described in this section applies only to monthly social security benefits. Social security benefits which we pay to you for any month after you have begun receiving recurring monthly social security benefits, and for which you did not have to file a new application, are not subject to reduction. The lump-sum death payment, which is not a monthly benefit, is not subject to reduction.

(d) *Refiguring the amount of the reduction.* We will refigure the amount of the reduction if there are subsequent changes affecting your claim which relate to the reduction period described in paragraph (a) of this section. Refiguring is generally required where there is a change in your month of entitlement or the amount of your social security benefits or SSI payments (including federally administered State supplementary payments) for the reduction period.

(e) *Reimbursement of reduced retroactive monthly social security benefits.* The amount of the reduction will be—

(1) First used to reimburse the States for the amount of any federally administered State supplementary payments that would not have been made to you if the monthly social security benefits had been paid when regularly due instead of retroactively; and

(2) The remainder, if any, shall be covered into the general fund of the U.S. Treasury for the amount of SSI benefits that would not have been paid to you if the monthly social security benefits had been paid to you when regularly due instead of retroactively.

[47 FR 4988, Feb. 3, 1982]

§ 404.409 [Reserved]

§ 404.410 Reduction in benefits for age—general.

An individual's old-age insurance benefit, wife's or husband's benefit or widow's or widower's benefit is reduced if he or she is entitled to the benefit for a month before the month he or she reaches retirement age. For purposes of this section and §§ 404.411 through 404.413, retirement age is age 65; except that for months prior to January 1973,

retirement age for widows and widowers is age 62. However, in the case of an individual entitled to wife's or husband's benefits, there is no reduction in benefits for any month he or she has in his or her care a child of the insured individual on whose earnings record he or she is entitled if the child is entitled to child's insurance benefits. Similarly, in the case of an individual entitled to widow's or widower's benefits, such benefits will not be reduced below the amount an individual entitled to mother's or father's benefits would receive for any month he or she has in his or her care a child of the insured individual on whose earnings record he or she is entitled if the child is entitled to child's benefits. Reductions in benefits are, subject to §§404.411 through 404.413, made in the amounts described below:

(a) In the case of old-age insurance benefits, the individual's primary insurance amount is reduced by $\frac{5}{9}$ of 1 percent multiplied by the number of months preceding the month in which he or she attains retirement age for which he or she is entitled to such benefits;

(b) In the case of wife's or husband's benefits, the individual's benefit amount before any reduction (see §§404.304 and 404.333) is reduced first (if necessary) for the family maximum under §404.403, and then further reduced by $\frac{25}{36}$ of 1 percent multiplied by the number of months preceding the month in which he or she attains retirement age for which he or she is entitled to such benefits (but not including any month in which such wife or husband has in his or her care a child of the insured individual on whose earnings record he or she is entitled if the child is entitled to child's benefits);

(c)(1) In the case of widow's or widower's benefits, the individual's benefit amount (for months after December 1972, the amount equal to the insured person's primary insurance amount and for earlier months, the amounts described in §§404.304 and 404.338), after any reduction for the family maximum under §404.403, is reduced or further reduced by $\frac{19}{40}$ of 1 percent multiplied by the number of months in the period beginning with the month of attainment of age 60 and ending with the month immediately before the month of at-

tainment of age 65, for which he or she is entitled to such benefits (but not including any month in which such widow or widower has a child of the insured individual in his or her care if the child is entitled to child's benefits). For months prior to January 1973, the widow's or widower's benefit is reduced in the way described in the preceding sentence except that the percentage rate is $\frac{5}{9}$ of 1 percent multiplied by the number of months from age 60 to 62 instead of $\frac{19}{40}$ of 1 percent multiplied by the number of months from age 60 to 65.

(2) For those widows and widowers receiving benefits based on disability and whose entitlement begins prior to their attaining age 60, their benefits are—

(i) For months after December 1983, not subject to any reduction of their benefits in addition to that under paragraph (c)(1) of this section;

(ii) For the period January 1, 1973–December 31, 1983, subject to a reduction under paragraph (c)(1) of this section and an additional reduction formula of $\frac{43}{240}$ of 1 percent multiplied by: (A) The benefit before any reduction for age and (B) the number of months of entitlement to such benefit in the period beginning with month of attainment of age 50 and ending with the month preceding month of attainment of age 60; and

(iii) For months prior to January 1973, subject to the reduction formula described in paragraph (c)(2)(ii) of this section with, however, the percentage rate set at $\frac{43}{198}$ of 1 percent.

(d) Benefits reduced under this section may be later adjusted to eliminate reduction for certain months of entitlement prior to retirement age as provided in §404.412. For special provisions on reducing benefits for months prior to retirement age involving entitlement to two or more benefits and for reducing widow's and widower's benefits on the earnings record of a deceased individual previously entitled to old-age insurance benefits, see §§404.411 and 404.338, respectively.

[49 FR 24116, June 12, 1984]

§ 404.411 Special reduction in benefits for age involving entitlement to two or more benefits.

(a) *General.* (1) Except as specifically provided in this section, benefits of an individual entitled to more than one benefit will be reduced for months of entitlement before retirement age according to the provisions of § 404.410. Such age reductions are made before any reduction under the provisions of § 404.407.

(2) If an individual was born after January 1, 1928 and becomes disabled after December 31, 1989, his or her disability insurance benefits are reduced in accordance with paragraph (b)(1) of this section. In other situations involving prior receipt of widow's or widower's insurance benefits, disability insurance benefits are reduced in accordance with paragraph (b)(2) of this section.

(3) If an individual was born after January 1, 1928, his or her old-age insurance benefits are reduced in accordance with § 404.410(a). In other situations involving prior receipt of widow's or widower's insurance benefits, old-age insurance benefits are reduced in accordance with paragraph (c) of this section.

(b) *Reduction in disability insurance benefits after entitlement to old-age insurance benefits, widow's or widower's benefits.* An individual's disability insurance benefits are reduced following entitlement to old-age insurance benefits, widow's or widower's insurance benefits (or following the month in which all conditions for entitlement to widow's or widower's insurance benefits are met except that the individual is entitled to an old-age insurance benefit which equals or exceeds the primary insurance amount on which the widow's or widower's insurance benefit is based) in accordance with the following provisions:

(1) In the case of an individual entitled to disability insurance benefits for a month after the month in which he becomes entitled to an old-age insurance benefit which is reduced for age under § 404.410, the disability insurance benefit is reduced by the amount by which the old-age insurance benefit would be reduced under § 404.410 if he attained age 65 in the first month of

his most recent period of entitlement to disability insurance benefits.

(2) In the case of an individual who is first entitled to disability insurance benefits for a month in which or after which he or she attains age 62 and for which he or she is first entitled to a widow's or widower's insurance benefit (or would be so entitled except for entitlement to an equal or higher old-age insurance benefit as explained in the material preceding paragraph (b) of this section) before retirement age, the disability insurance benefits are reduced by the larger of:

(i) The amount the disability insurance benefit would have been reduced under paragraph (b)(1) of this section; or

(ii) The amount equal to the sum of the amount the widow's or widower's benefit would have been reduced under the provisions of § 404.410 if retirement age were 62 (instead of 65) plus the amount by which the disability insurance benefit would have been reduced under paragraph (b)(1) of this section if the benefit were equal to the excess of such benefit over the amount of the widow's or widower's benefit (without consideration of this paragraph (b)(2)) of this section.

(3) In the case of an individual who is first entitled to disability insurance benefits for a month before the month in which he or she attains age 62 and he or she is also entitled to a widow's or widower's insurance benefit (or would be so entitled except for entitlement to an equal or higher old-age insurance benefit as explained in the material preceding paragraph (b) of this section), the disability insurance benefit is reduced as if the widow or widower attained retirement age in the month immediately preceding the first month of his or her most recent period of entitlement to disability insurance benefits;

(c) *Reduction in old-age insurance benefits after entitlement to widow's or widower's insurance benefits.* An individual's old-age insurance benefit is reduced if, in his or her first month of entitlement to that benefit, he or she is also entitled to a widow's or widower's insurance benefit to which he or she was first entitled for a month before